To the Members of the California State Assembly:

I am returning Assembly Bill 2657 without my signature.

While I recognize that the metal-plating process can adversely impact the environment and public health if not properly managed, there are numerous federal, state and locals laws that regulate this industry. The bill singles out this industry for special assistance for failure to comply with existing environmental protection laws.

Specifically, this bill provides loans and loan guarantees to a segment of the metal plating industry that is located within the South Coast Air Quality Control District. While I am sympathetic to the fact that air quality in that region is a challenge, it is unfair to provide a publicly funded loan program to a specific industry that is located in one region of the state. Moreover, the bill only provides funding for air quality problems and ignores other regulatory concerns, such as hazardous waste and water quality. This bill promotes unfair competition and does this while using scarce State resources.

| For these reasons I car | nnot support this measure | at this time. |
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Sincerely,

Arnold Schwarzenegger